

Trading with the Enemy

Without the support of key American industrialists, Adolf Hitler would never have been able to wage World War II.

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While most Americans were appalled by the Nazis and the rearming of Germany in the 1930s, some of America's most powerful corporations were more concerned about making a buck from their German investments. Here are a few examples of how US industrialists supported Adolf Hitler and Nazi Germany.

GENERAL MOTORS

GM, which was controlled by the du Pont family during the 1930s, owned 80 per cent of the stock of Opel AG which made 30 per cent of Germany's passenger cars.

When Hitler's panzer divisions rolled into France and Eastern Europe, they were riding in Opel trucks and other equipment. Opel earned GM a hefty US\$36 million in the 10 years before war broke out, but because Hitler prohibited the export of capital, GM reinvested the profits in other German companies. At least US\$20 million was invested in companies owned or controlled by Nazi officials.

General Motors may have even been plotting against the Roosevelt administration. According to Charles Higham in his book, *Trading with the Enemy*, GM representatives met secretly with Baron Manfred von Killinger, Nazi Germany's west coast chief of espionage, and Baron von Tippleskirch, the Nazi consul general and Gestapo leader, in Boston on 23rd November 1937. The group "signed a joint agreement showing total commitment to the Nazi cause for the indefinite future" and proclaimed that "in view of Roosevelt's attitude toward Germany, every effort must be made to remove him by defeat at the next election. Jewish influence in the political, cultural and public life of America must be stamped out. Press and radio must be subsidised to smear the administration", and a *führer*, perhaps Senator Burton Wheeler of Montana, should be in the White House. Although the group tried to keep the agreement secret, Representative John M. Coffee of Washington found out about it and had the entire text of the agreement printed in the Congressional Record in August 1942.

HENRY FORD

Ford, the founder of the Ford Motor Company, was an outspoken anti-Semite and a big donor to the Nazi party. Ford allegedly bankrolled Hitler in the early 1920s at a time when the party had few other sources of income. In fact, the Nazi Party might have perished without Ford's sponsorship. Hitler admired Ford enormously. In 1922, *The New York Times* reported, "The wall beside his desk in Hitler's private office is decorated with a large picture of Henry Ford. In the antechamber there is a large table covered with books, nearly all of which are translations of books written and published by Henry Ford." (Hitler actually borrowed passages from Ford's book, *The International Jew*, to use in *Mein Kampf*.) The same year, the German newspaper *Berliner Tageblatt*, a Hitler foe, called on the American ambassador to investigate Ford's funding of Hitler, but nothing was ever done. Ford never denied that he had bankrolled the *Führer*. In fact, Hitler presented Nazi Germany's highest decoration for foreigners—the Grand Cross of the German Eagle—to Henry Ford.

THE CURTISS-WRIGHT AVIATION COMPANY

Employees of Curtiss-Wright taught dive-bombing to Hitler's *Luftwaffe*. When Hitler's bombers terrorised Europe, they were using American bombing techniques. The US Navy invented dive-bombing several years before Hitler came to power, but managed to keep it a secret from the rest of the world by expressly prohibiting US aircraft manufacturers from mentioning the technique to other countries. However, in 1934, Curtiss-Wright,

hoping to increase sales of airplanes to Nazi Germany, found a way around the restriction: instead of telling the Nazis about divebombing, it demonstrated the technique in air shows. A US Senate investigation concluded, "It is apparent that American aviation companies did their part to assist Germany's air armament."

STANDARD OIL

The oil giant developed and financed Germany's synthetic fuel program in partnership with German chemical giant, I. G. Farben.

As late as 1934, Germany was forced to import as much as 85 per cent of its petroleum from abroad. This meant that a worldwide fuel embargo could stop Hitler's army overnight. To get around this threat, Nazi Germany began converting domestic coal into synthetic fuel using processes developed jointly by Standard Oil and I. G. Farben.

Standard taught I. G. Farben how to make tetraethyl lead and add it to gasoline to make leaded gasoline. This information was priceless; leaded gas was essential for modern mechanised warfare. An I. G. Farben memo stated, "Since the beginning of the war we have been in a position to produce lead tetraethyl solely because, a short time before the outbreak of the war, the Americans had established plants for us ready for production, and supplied us with all available experience. In this manner, we did not need to perform the difficult work of development because we could start production right away on the basis of all the experience that the Americans had had for years." Another memo noted that "without tetraethyl lead, present methods of warfare would not be possible." (*Trading with the Enemy*)

Still another I. G. Farben memo chronicled Standard's assistance in procuring \$20 million worth of aviation fuel and lubricants to be stockpiled for war: "The fact that we actually succeeded by means of the most difficult negotiations in buying the quantity desired by our government... and transporting it to Germany, was made possible only through the aid of the Standard Oil Co." (Note: According to a 1992 article in the *Village Voice*, Brown Brothers Harriman was the Wall Street investment firm that "arranged for a loan of tetraethyl lead to the Nazi *Luftwaffe*" in 1938. A senior managing partner of the firm was George Bush's father, Prescott Bush.)

Standard Oil may also have undermined US preparations for war. A congressional investigation conducted after World War II found evidence that Standard Oil had con-

spired with I. G. Farben to block American research into synthetic rubber, in exchange for a promise that I. G. Farben would give Standard Oil a monopoly on its rubber-synthesising process. The investigation concluded that "Standard fully accomplished I.G.'s purpose of preventing the United States production by dissuading American rubber companies from undertaking independent research in developing synthetic rubber processes."

Standard Oil may have also helped distribute pro-Nazi literature in Central America. According to Charles Higham in *Trading with the Enemy*, "on 5 May 1941, the US Legation at Managua, Nicaragua, reported that Standard Oil subsidiaries were distributing *Epoca*, a publication filled with pro-Nazi propaganda. John J. Muccio of the US Consulate made an investigation and found that Standard was

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distributing this inflammatory publication all over the world."

INTERNATIONAL TELEPHONE AND TELEGRAPH

IT&T owned substantial amounts of stock in several German armaments companies, including a 28 per cent stake in Focke-Wulf which built fighter aircraft for the German Army.

Unlike General Motors, IT&T was permitted to repatriate the profits it made in Germany, but it chose not to. Instead, the profits were reinvested in the German armaments industry. According to Anthony Sutton, author of *Wall Street and the Rise of Hitler*, "IT&T's purchase of a substantial interest in Focke-Wulf meant that IT&T was producing German planes used to kill Americans and their allies—and it made excellent profits out of the enterprise." IT&T also owned factories in the neutral countries of Spain, Portugal, Switzerland and Sweden which continued selling products to axis countries.

The relationship with the Nazis continued even after the US entered the war.

According to Charles Higham in *Trading with the Enemy*, the German Army, Navy and Air Force hired IT&T to make "switchboards, telephones, alarm gongs, buoys, air-raid warning devices, radar equipment and 30,000 fuses per month for artillery shells used to kill British and American troops" after the bombing of Pearl Harbour. "In addition," Higham writes, "IT&T supplied ingredients for the rocket bombs that fell on London...high-frequency radio equipment and fortification and field communication sets. Without this supply of crucial materials, it would have been impossible for the German Air Force to kill American and British troops, for the German Army to fight the Allies in Africa, Italy, France and Germany, for England to have been bombed, or for Allied ships to have been attacked at sea."

CHASE NATIONAL BANK (later Chase Manhattan Bank)

Chase operated branches in Nazi-occupied Paris and handled accounts for the German Embassy as well as German businesses operating in France.

As late as six months before the start of World War II in Europe, Chase National Bank worked with the Nazis to raise money for Hitler from Nazi sympathisers in the US.

According to Higham in *Trading with the Enemy*, "In essence, the Nazi government through the Chase National Bank offered Nazis in America the opportunity to buy German marks with dollars at a discount. The arrangement was open only to those who wished to return to Germany and would use the marks in the interest of the Nazis." Americans who were interested had to prove to the Nazi embassy that they supported Hitler and his policies.

Cooperation with the Nazis continued even after America entered the war. For example, Higham says, Chase offices in Paris remained open long after other American banks had shut down, and even provided assistance to the Nazis: "The Chase Bank in Paris was the focus of substantial financing of the Nazi embassy's activities throughout World War II with the full knowledge of [Chase headquarters in] New York. In order to assure the Germans of its loyalty to the Nazi cause...the Vichy branch of Chase at Château-neuf-sur-Cher were strenuous in enforcing restrictions against Jewish property, even going so far as to refuse to release funds belonging to Jews because they anticipated a Nazi decree with retroactive provisions prohibiting such a release." (*Trading with the Enemy*)

GOOD NEWS FOR HITLER

After William Randolph Hearst's visit to a German spa, he had new respect for Hitler. Was there gold in the waters?

In September 1934, William Randolph Hearst went to the world-famous spa at Bad Nauheim to "take the waters". The Nazi government welcomed him. After a month of socialising with prominent Germans, Hearst was invited to meet the new chancellor, Adolph Hitler. According to German newspapers, "Hearst was charmed and converted by the Nazi leader."

The German newspaper may have been right. When he returned to the US, Hearst completely changed the editorial policy of his nineteen daily newspapers and began praising the Nazi regime. For example, a September 1934 editorial signed by Hearst began: "Hitler is enormously unpopular outside of Germany and enormously popular in Germany. This is not difficult to understand. Hitler restored character and courage. Hitler gave hope and confidence. He established order and utility of purpose...and the Germans love him for that. They regard him as a saviour."

Did Hearst offer his praise freely, or had he been paid?

Hearst's change in editorial policy came less than a month after the Nazi Ministry of Propaganda first subscribed to his International News Service (INS), a wire service that Hearst had created to compete against Associated Press (AP) and UPI. INS was considered by journalists to be, by far, the worst of the three services.

Even so, the Nazis paid Hearst more than \$400,000 a year to subscribe to INS, at a time when other customers were only paying US\$50,000 to US\$70,000 for the

same service. (The Nazis paid only US\$40,000 for their subscription to AP.)

Hitler appears to have gotten what he paid for. According to legal papers filed in a lawsuit involving Hearst in the 1930s, "Promptly after the visit with Adolph Hitler and the making of...arrangements for furnishing INS material to Germany...William Randolph Hearst instructed all Hearst press correspondents in Germany, including those of INS, to report happenings in Germany only in a 'friendly' manner. All of such correspondents reporting happenings in Germany accurately and without friendliness, sympathy and bias for the actions of the then German government, were transferred elsewhere, discharged or forced to resign." (*Even the Gods Can't Change History*)

Week after week, Hearst publications ran pieces sympathetic to the Nazis. One article, which justified German rearmament to the American people, was written by Hitler's Minister of Aviation, Hermann Goering.

Was Hitler's payment a bribe to get Hearst to print pro-Nazi propaganda? The US Ambassador to Germany, William E. Dodd, thought so.

According to Dodd, who was Ambassador to Germany from 1933 to 1937, Hitler sent two of his chief propagandists to meet with Hearst at Bad Nauheim, to see how his image could be polished. When they found Hearst receptive, they set up a meeting and cut the deal.

When Dodd found out about the arrangement, he "did not hesitate to tell the president that this was not a legitimate business deal; it was buying political support." (ibid.)

Dodd noted that Hearst newspapers also

began praising Italian dictator Mussolini after "Giannini, President of the Bank of America, had loaned Hearst some millions of dollars." (ibid.) Giannini was an avid Mussolini supporter.

According to author George Seldes, Hearst's deals with the two dictators were widely rumoured in the industry, but he was so powerful that "of the 1,730 daily newspapers" Hearst didn't own, "not one per cent ever said a word about the situation." Hearst, untouched by the scandal, continued to smear the patriotism of "socialists, liberals and other un-Americans" until the day he died. (ibid.)

Recommended Reading:

- Charles Higham, *Trading with the Enemy: An Exposé of the Nazi-American Money Plot 1933-1949*, Delacorte Press, 1983.
- George Seldes, *Even the Gods Can't Change History*, Lyle Stuart, 1975.
- George Seldes, *Facts and Fascism*.

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